

# (DRAFT)

## Washington Transportation Plan Update

*Interim Briefing to the Transportation Commission*

## Contributing to a Strong Economy and Good Jobs

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*This presentation is a public  
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and will be revised as needed.*

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Commission Meeting  
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**Washington State  
Department of Transportation**

# A Story About Washington's Economy

- Overview of Washington's Economy
- Existing Policy Direction
- What We Know About Transportation's Role in the Economy
- Examples of Transportation / Economic Development Projects
- Summary

# **Overview of Washington's Economy & Existing Policy Direction**

# The Fundamental Question for this Discussion:

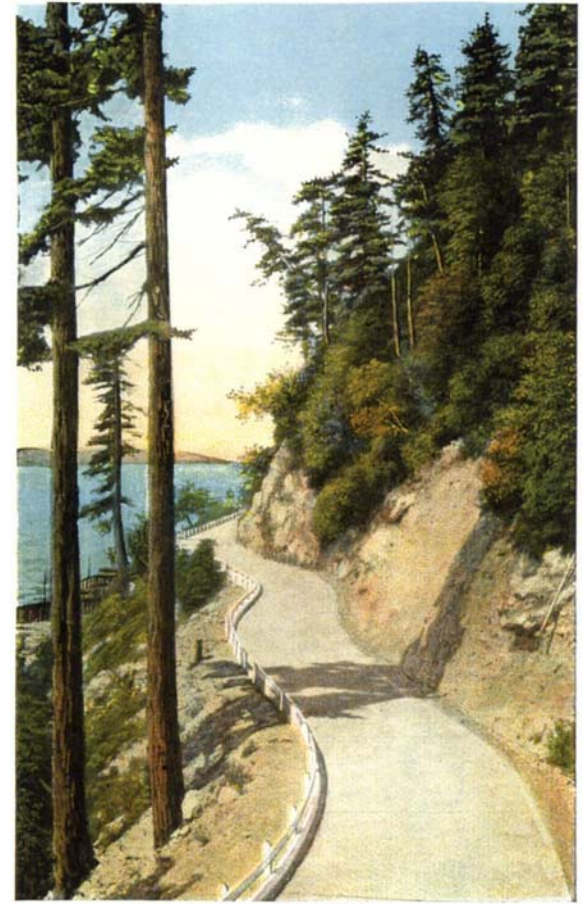
***What investments in new facility and system assets can help support the state's economic vitality and strengthen the job picture?***

Transportation has always had a direct role in supporting the economic health of the communities it connects. Obvious linkages are:

- Providing Basic Access
- Moving Freight
- Getting Employees to Work

Measuring Transportation's role in Economic Development is difficult – there is much disagreement in the research on the magnitude of the connection, and correct tools to measure it.

There is also very limited data available for evaluating the broader benefits to the economy attributed to transportation projects.



State Route 11

# WTP Issues Related to Transportation's Role in Washington's Economy

- **The Freight Issue Discussion Addressed:** How Washington Moves the Goods We Produce, Buy, Sell and Transport
- **The Bottlenecks and Choke Points Issue Discussion Addressed:** How to add system capacity in a targeted way to improve system productivity
- **The System Efficiencies Issue Discussion Addressed:** How to restore lost system productivity through operational improvements
- **The Safety Issue Discussion Addressed:** Reducing the Societal Costs of Accidents
- **Health and the Environment:** Contributions to Washington's Quality of Life

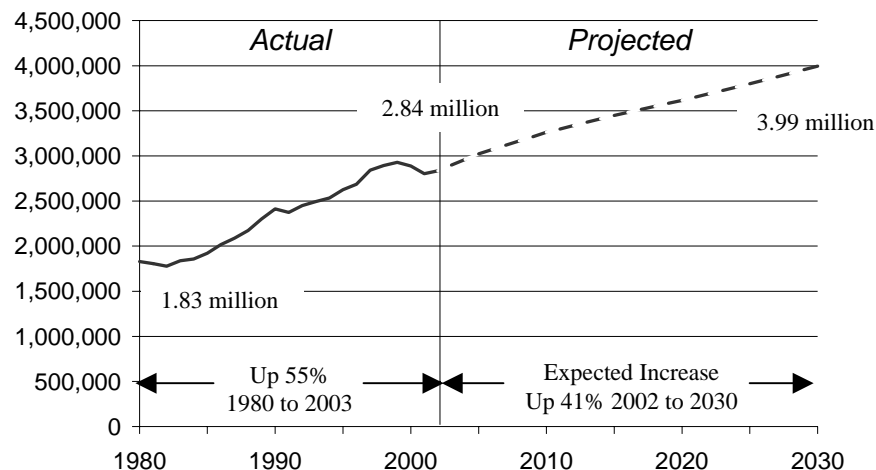
# Overview of Washington's Economic Structure

## What the Data are Telling Us

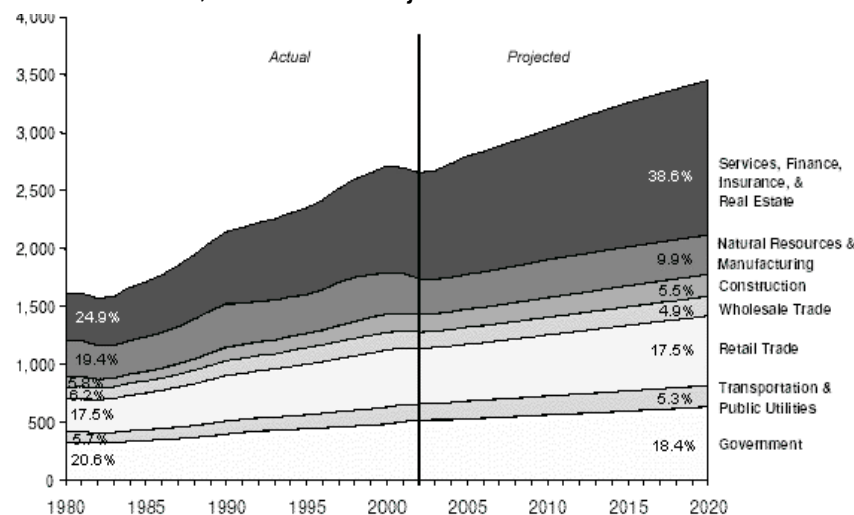
- Along with population, Washington's workforce is also growing and will continue to grow.
- Most economic sectors are expected to see steady growth in the next 20 years, but the structure of Washington's economy is shifting.
  - While remaining relatively steady in number of jobs, manufacturing employment is expected to drop from 19.4 percent to a projected 9.9 percent of all non-agricultural employment between 1980 and 2020. Even with this drop of share, Washington outperforms the nation in manufacturing.
  - Following a national trend, services are expected to increase to almost 40 percent of non-agricultural employment in 2020, up from 25 percent in 1980.
  - All other sectors are projected to keep their historical shares.

**Growth in Employment**

1980 to 2030



**Washington Non-Agricultural Employment by Industry**  
1980 to 2020, thousands of jobs



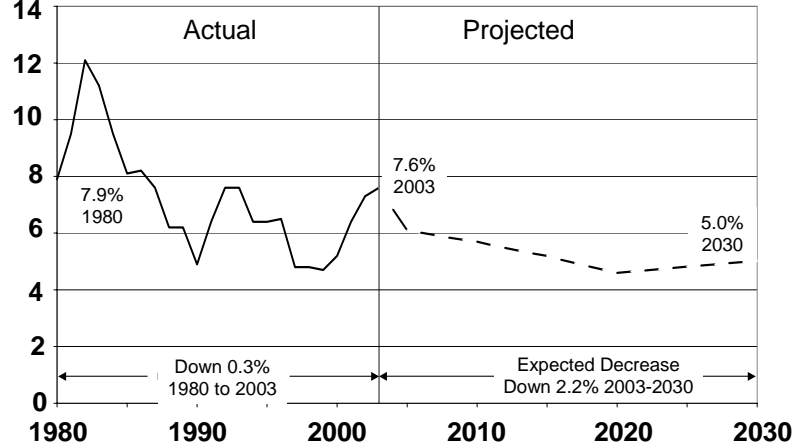
Source: Table 3-2, "2003 Long Term Economic and Labor Force Forecast for Washington"  
Washington State Office of Financial Management and Employment Security Division

# Unemployment Trends in Washington

In 2003 Washington's average unemployment rate of 7.6 percent was higher than the national average rate of 6.0 percent [1] (reflecting the severity of the recession on Washington's economy). Washington's economy is not uniform:

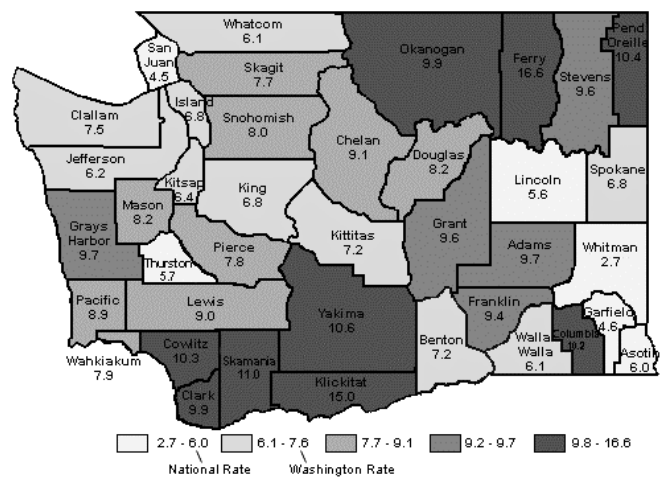
- Six counties (Whitman, Garfield, Thurston, San Juan, Lincoln, Asotin) had unemployment rates at or below the national rate.
- Whitman and San Juan counties had the lowest unemployment rate for this time period of 2.7 percent and 4.5 percent respectively.
- Ferry and Klickitat had unemployment rates more than twice as high as the national unemployment rate.
- Most of Washington's counties had unemployment rates between 6.1 percent and 9.7 percent.

Washington's Historical and Projected Unemployment Rates  
1980 – 2030  
Shown as percentages



Note: No forecast data for U.S. unemployment available

Washington State Unemployment Rates by County  
2003 Average



[1] Washington State Employment Security Department  
Note: Unemployment Rates based on reported unemployed persons by the Washington State Department of Employment Security and does not reflect those persons not claiming unemployment benefits.

# Overview of Washington's Economic Structure

## Per Capita Income

Per capita income is a real indicator of growth of the state's economy.

In Washington per capita income was \$32,638 in 2002, which ranked our state 14<sup>th</sup> nationally.

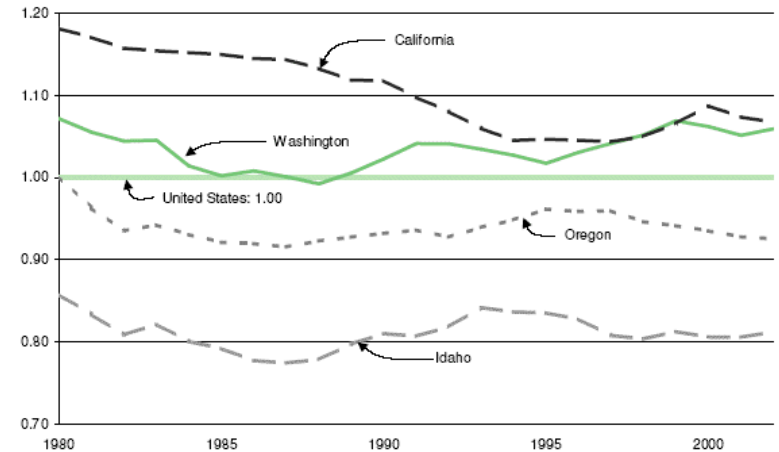
Washington's per capita income has traditionally been above the national average and caught up to California in the late 1990s. [1] Oregon and Idaho have trended below the national average.

Over the long run, growth in per capita income in Washington has trended closely with the national average. However, the volatility of certain manufacturing and resource-based industries in the state periodically narrowed or widened the per capita income gap between Washington and the nation. [2]

In the future more stable income growth is expected due to the declining role of cyclical industries and the growing diversification of the state economy.

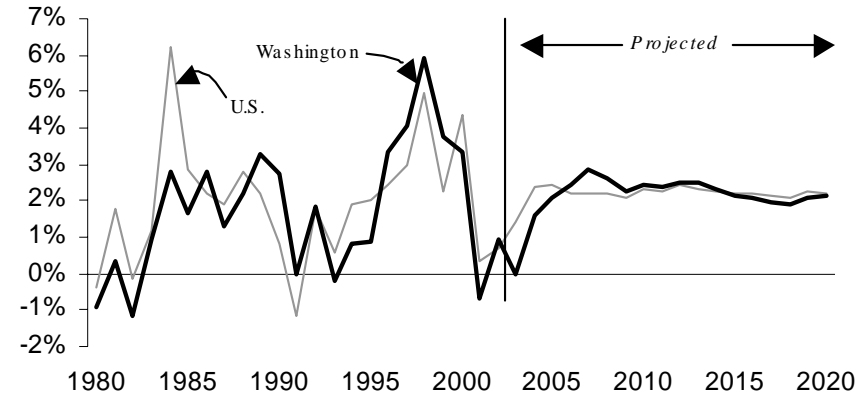
### Ratio of States to U.S. Per Capita Income

1980 to 2003 (projected 2003 to 2030) [3]



### Annual Changes in Real Per Capita Income

1980 to 2020 (projected from 2003 to 2020)



[1] 2003 Long Term Economic and Labor Forecast for Washington, Washington State Office of Financial Management and Employment Security Division: <http://www.ofm.wa.gov/economy/longterm/2003/index.htm>

[2] Ibid, [3] Bureau of Economic Analysis



# Agricultural Employment



Looking south along the Okanogan Scenic Byway - US97

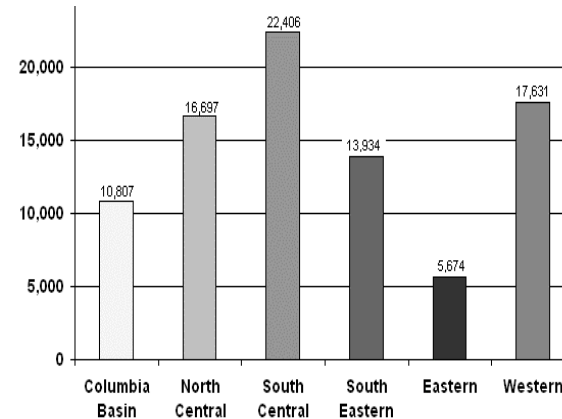
# Agricultural Employment

- Agriculture employed more than 87,000 people in Washington in 2002, which represents 3 percent of all state employment.
- Eighty percent of all agricultural employment is located in Eastern Washington.
- Yakima County accounts for 24 percent of statewide agricultural employment.

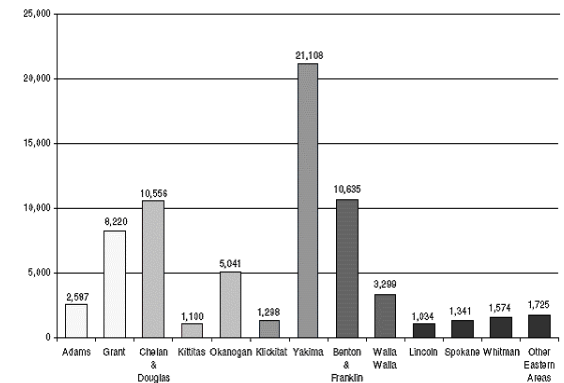
Washington's Agricultural Areas



Agricultural Employment by Agricultural Area 2002

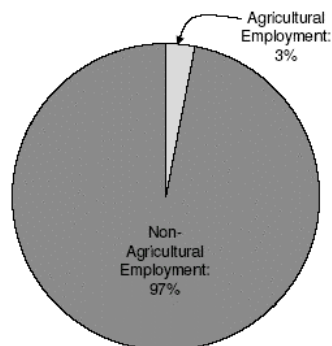


Agricultural Employment in Eastern WA 2002

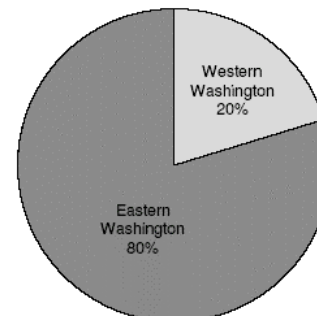


*Note: Other Eastern Areas includes Asotin, Columbia, Ferry, Garfield, Pend Oreille, and Stevens counties.*

Washington's Agricultural and Non-Agricultural Employment



Washington's Agricultural Employment by Area





# Agricultural Production

Agriculture is big business in our state – and supports the family farm as well as agribusiness – in communities in every corner of the state. In 2002, Washington States farmers and ranchers produced \$5.6 billion in food and agricultural products.

In 2002, Washington exported \$3.87 billion worth of fresh crops and livestock, seafood and processed foods. One-third of all farm products are exported.

As a major producer of food and agriculture products, Washington is the ninth largest in the U.S. Among all states, Washington ranks:

**Number one** in the harvest of apples, sweet cherries, pears, Concord and Niagara grapes, red raspberries, corn and carrots for processing, hops, spearmint oil, wrinkled seed peas, and lentils;

**Number two** in the production of apricots, tart cherries, asparagus, dry edible peas, peppermint oil, potatoes, and green peas for processing;

**Number two** in the export of seafood;

**Number two** in the diversity of crops grown (over 250);

**Number three** in the export of food and agriculture products. [1]



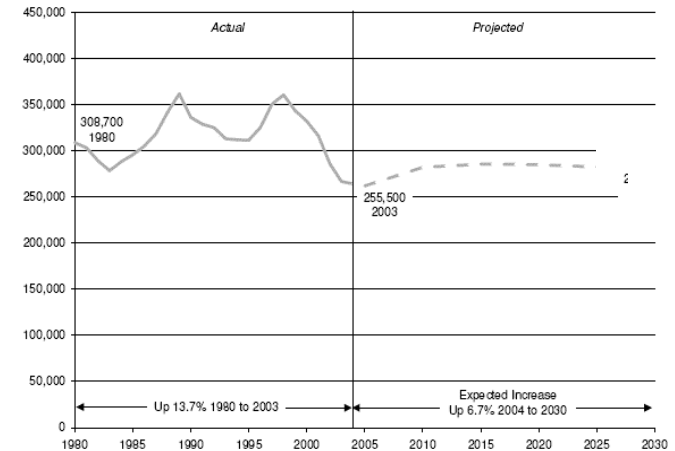
Lentils



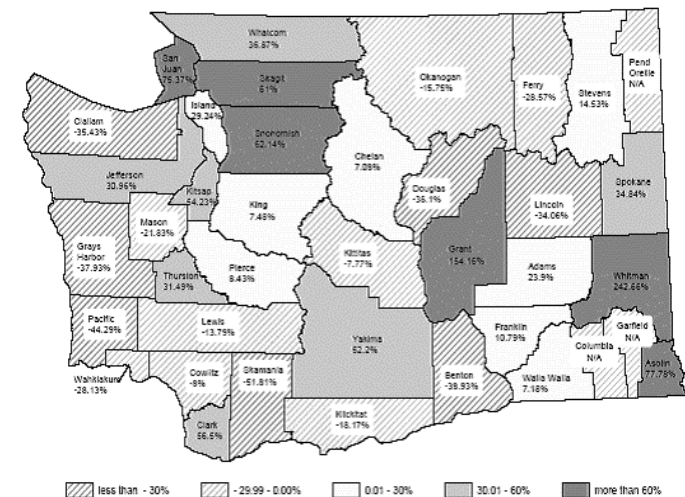
# Manufacturing

- In 2003, manufacturing Gross Business Revenues in Washington were \$88.3 billion, which is 21.3 percent of the total State Gross Business Income.
- In 2002 this sector employed more than 285,000 workers (11 percent of all jobs) and paid 16 percent of total wages in Washington. Nationally the number of manufacturing jobs declined from 1980 to 2000, while Washington experienced growth during that time.
- Employment in the manufacturing sector for Washington State has experienced a decline since 1998. This is due primarily to a downturn in the aerospace industry. However, manufacturing is expected to remain vital to Washington's economy. Some manufacturing sectors, such as lumber and aluminum will decline due to high production costs and international competition. Employment in "high-tech" manufacturing is forecasted to remain strong.
- Washington is expected to see an average growth rate of approximately 0.4% per year through 2030, in manufacturing employment.

**Washington's Manufacturing Employment  
1980 - 2030**



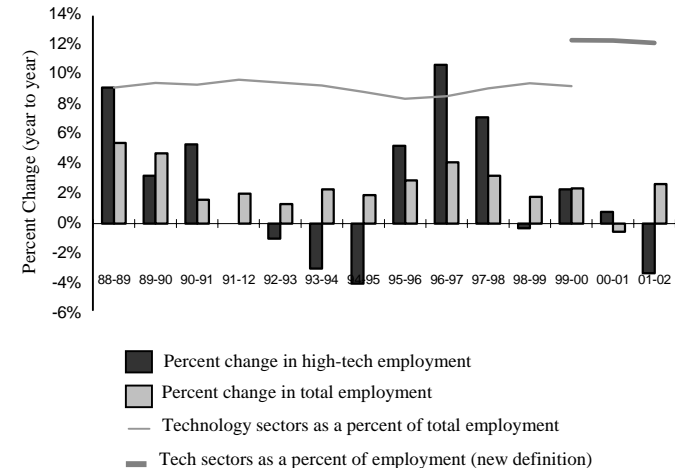
**Change in Percent of Manufacturing Employment in  
Washington State**



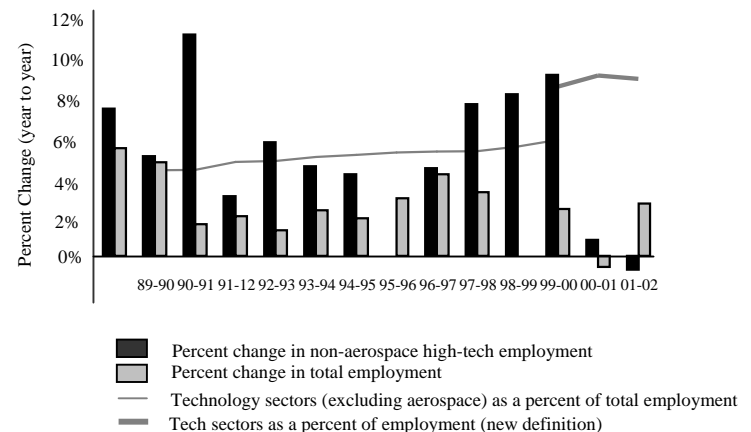
# Aerospace & Technology

- Regionally, an interesting shift occurred in technology job growth. Established technology rich communities like Seattle, Vancouver and Spokane saw a drop in technology jobs over the last two years. While, Bellingham, the Tri-Cities, and Bremerton all exhibited strong technology job growth over the past two years. [1]
- The region as a whole remained strong for new company incubation.
- Technology industries account directly for more than 12 percent of Washington's total employment.
- Washington retains a highly educated workforce, critical to the technology industry, ranking 12th for states with residents who have higher education degrees.
- Since 1988, total high-tech employment fluctuated with the economic cycles of the aerospace industry, while non-aerospace high-tech employment showed steady growth during that same period.

Technology industries account directly for more than 12% of Washington's total employment



Technology industries, excluding Aerospace, directly account for almost 9% of Washington's total employment



[1] Washington Technology Center, Washington State 2004 Index of Innovation and Technology

# Overview and Recent Study of Economic Clusters

- In 2001 the Washington State Department of Community, Trade and Economic Development (CTED) commissioned a study completed by the Northwest Policy Center summarizing Washington's cluster industries and what is known about them. The concept behind the study was to find data to support the hypothesis that the competitiveness of key industry clusters has a direct link to the economic success of a region.
- The intended outcome of the CTED Clusters Study is to encourage others to think about economic vitality issues in the framework of the clusters.
- An Economic Cluster consists of a lead or final product industry and that industry's suppliers, often concentrated in a particular region of the state.

# Washington's Economic Clusters

## Ranked by Gross Business Income 2000

▪ <b>Aerospace</b>	<b>\$37.81 billion</b>
▪ <b>Health Care</b>	<b>\$13.2 billion</b>
▪ <b>Tourism</b>	<b>\$10.2 billion</b>
▪ Food Processing	\$7.6 billion
▪ Metal Working	\$7.3 billion
▪ Software	\$6.6 billion
▪ Wood Products	\$6.4 billion
▪ International Trade	\$3.8 billion
▪ Electronics/Computers	\$3.7 billion
▪ Biotechnology	\$2.0 billion
▪ Aluminum	\$1.9 billion
▪ Concrete/Cement/Brick	\$300 million
▪ Non-Ferrous Metals	\$200 million

## Ranked by Employment 2000

▪ <b>Tourism</b>	<b>261,625</b>
▪ <b>Health Care</b>	<b>216,618</b>
▪ <b>Aerospace</b>	<b>88,079</b>
▪ Software	70,167
▪ International Trade	50,065
▪ Food Processing	49,757
▪ Metal Working	44,692
▪ Electronics/Computers	34,081
▪ Wood Products	26,085
▪ Biotechnology	14,534
▪ Aluminum	6,193
▪ Concrete/Cement/Brick	3,535
▪ Non-Ferrous Metals	1,402

# The Biotech Cluster

Transportation serves the biotech cluster by providing access for people to get to work and for the mobility of the goods needed to conduct these industry businesses. Washington's Seattle-Everett-Bellevue area is one of 12 locations chosen nationwide for a study on the potential of expansion and sustainability of this cluster.

According to a report released in June 2004 by the Milken Institute - a publicly supported independent economic think tank - the Seattle-Everett-Bellevue area ranks fifth overall in the nation as a productive biotech region.

This region earned a composite score of 83.3 as one of only a handful of metropolitan areas that have succeeded on a scale necessary to ensure industry sustainability. San Diego ranked #1 with a perfect score of 100.

The Milken Institute claims that this cluster industry has potential to lead economies in the second half of this century.

*“In addition to the race for discovering biotechnology-derived therapeutics, there is a different kind of race underway: the one that will determine where the primary geographic locations of this industry reside. The economic outcomes of where these biotech clusters form and grow are likely to be immense.”*

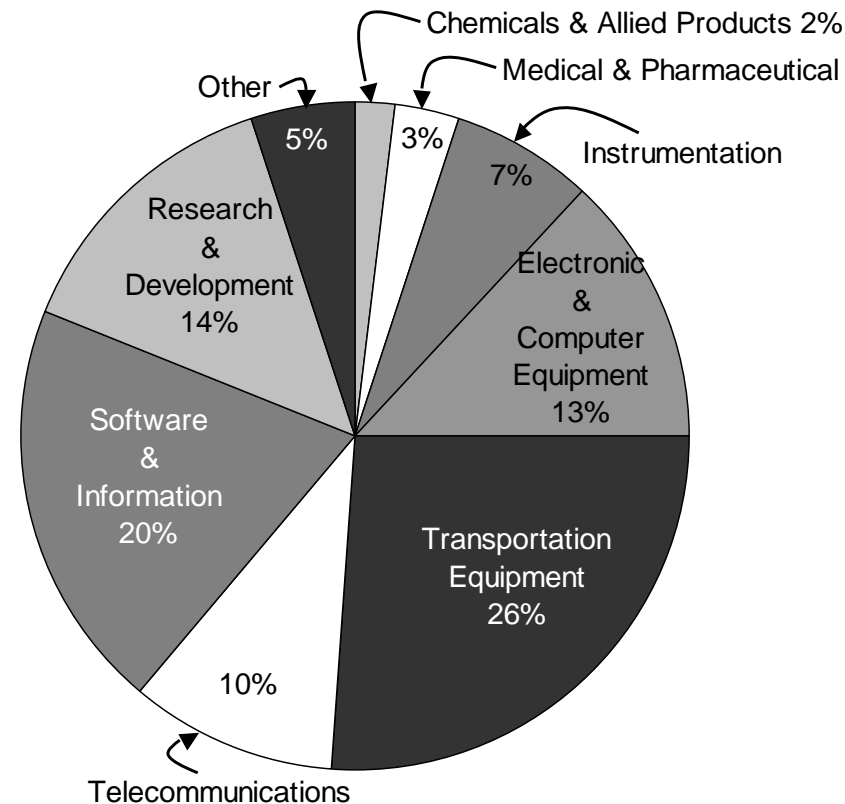


# The Technology Cluster

Washington has 10 Metropolitan Statistical Areas as defined by the Census Bureau. Businesses involved in the Technology cluster are located predominately in these areas.

Transportation equipment is Washington's largest technology employment sector, followed by software and information.

Metropolitan Statistical Area	Total Tech Employment 2002	Tech employment change from 2001 to 2002	% Change in Tech Employment 2001 to 2002	Tech Jobs Per 1000 Population
Bremerton	5,235	687	15.1%	22.4
Tri-Cities	10,451	723	7.4%	52.9
North Central	923	56	6.6%	9.2
Tacoma	11,371	555	5.1%	15.8
Yakima	2,108	80	4.0%	9.4
Bellingham	4,725	57	1.2%	27.7
Seattle	248,079	-9604	-3.7%	101.7
Spokane	14,602	-843	-5.5%	34.5
Olympia	2,815	-248	-8.1%	13.2
Vancouver	13,028	-1157	-8.2%	36.1
Total	313,337	-9694	13.9%	322.9



# The Tourism Cluster

Transportation has a clear and inseparable link to the Tourism Cluster by providing several statewide services and programs including:

## Infrastructure

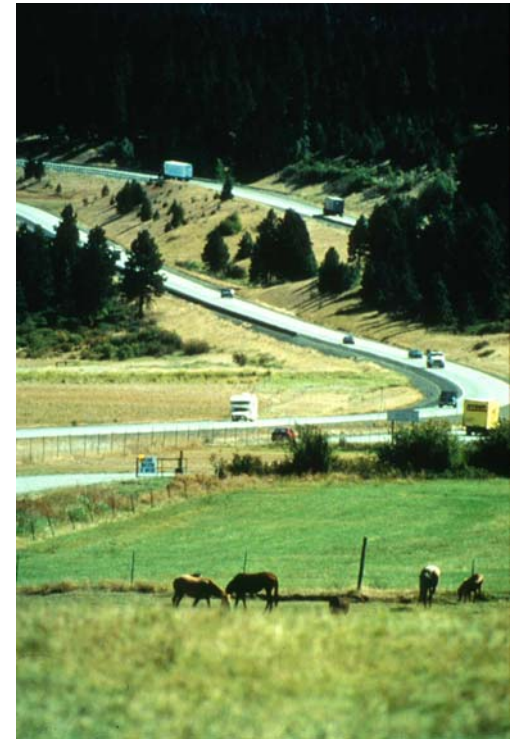
Highways, Byways, Airports, Washington State Ferries (a service and an attraction) Rail (Amtrak and Intercity Passenger), Safety Rest Areas, Scenic Viewpoints, and Intelligent Transportation Systems

## Information and Interpretation

Highway Signing for Destinations and Businesses, Roadside Interpretation, Traveler Information, Traffic Cameras, Interactive Communications ([www.wsdot.wa.gov](http://www.wsdot.wa.gov)), Maps (Official Highway, Bike, and Byways) and publications.

## Access to Federal Grant Funding for Economic Development Planning and Projects

Transportation Enhancements and the National Scenic Byway Program



I-90 Mountains to Sound Greenway



Seattle Waterfront

# The Ferry System

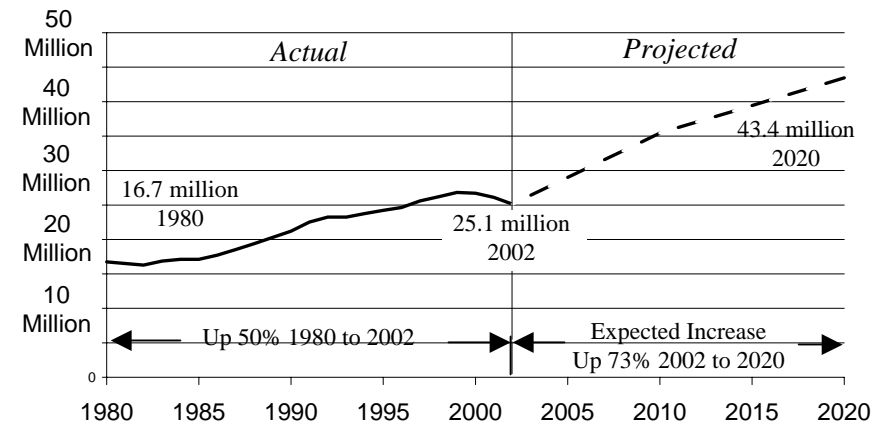
## A Tourism Cluster Component

Washington State Ferry System links central Puget Sound with the Olympic Peninsula and is considered an extension of the state highway system network. The Ferry System serves as a major tourist attraction in Washington. As the gateway to the San Juan Islands, British Columbia and the Olympic Peninsula, over a million passengers and vehicles are transported during the peak tourist season.

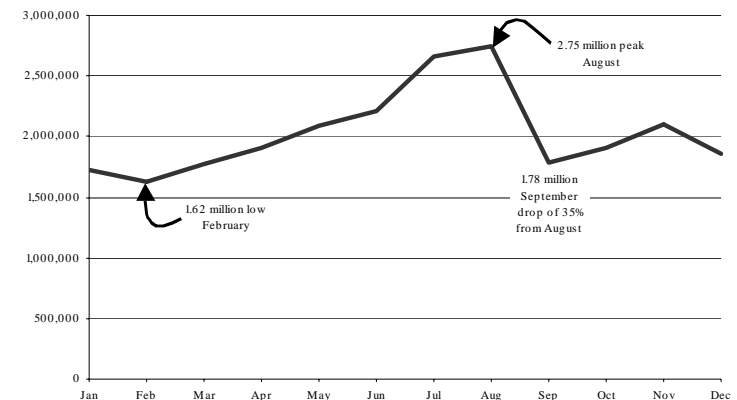
The majority of customers use the ferry system for getting back and forth to work. Due to the scenic views and highly attractive communities served by the system, a significant increase in visitation occurs during the summer tourist season each year. The uniqueness of a ferry ride alone is a huge draw for tourists.

The data to the right shows the actual monthly volumes for the year 2003. In addition, the historical data shows the increasing interest in this tourism attraction.

**Actual and Forecast Washington State Ferry Ridership 1980 to 2020**



**Total Monthly Ridership – All Ferries, All Routes 2003**



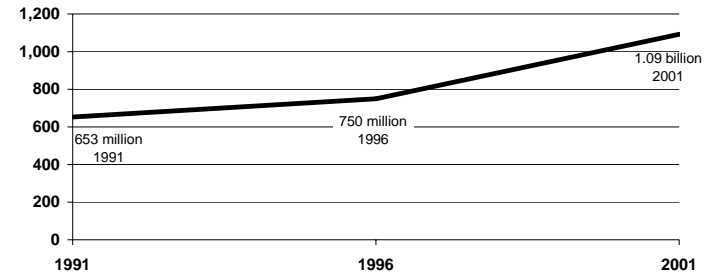
# Highway Signing for Traveler Destinations

- Watchable Wildlife Signs
- Tourist Oriented Directional Signs
- Signing to Information Centers
- Byway Logo Signing
- Highway Interpretive Panels

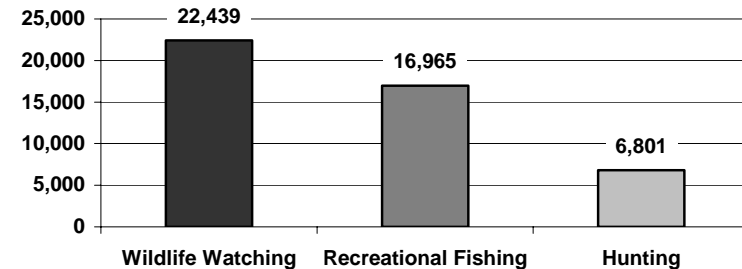
The US Fish and Wildlife Service and the Bureau of Census conducted surveys showing substantial growth in expenditures on wildlife viewing in Washington. In fact, expenditures jumped from \$653 million in 1991 to almost \$1.1 billion in 2001. That's an increase of more than 68 percent.

Wildlife watching and outdoor activity generates jobs. There are a variety of occupations directly related to these activities, and there are also many other occupations that aren't normally considered wildlife associated - that benefit.

Expenditures by Washington Residents on Wildlife Viewing  
In millions



Jobs Generated in Washington  
2001



Source: 2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation; US Fish and Wildlife Service and US Census Bureau; Dunn and Bradstreet.



Interpretive Sign SR14 Chamberlain Lake SRA

# **Existing Policy Direction**

# Washington Competitiveness Council - 2000

Governor Locke convened the Washington Competitiveness Council to examine Washington's ability to compete in the global economy of the 21st century. The council divided its work into five issue areas:

- Taxes and Fees
- Regulatory and Permitting Issues
- **Physical Infrastructure**
- Human Capital and Innovation
- Benchmarks and Performance Measures

*"Of all the issues considered by the council, the **transportation** problems facing our state stand out as the issue with the broadest mandate for action. The statement below summarizes the Competitiveness Councils' position about the urgency of this recommendation:*

*- **The most important competitive investment the state of Washington can make is to improve its transportation infrastructure.** Washington's currently overwhelmed transportation system threatens jobs and economic vitality, wastes people's time and money, diminishes quality of life, and degrades our environment.*

*- To ensure Washington State's prosperity in the future, given the interdependence of the economies both east and west of the Cascades, we must improve our ability to **move** people and products".*

# State Economic Development Policy

## The Economic Development Commission 2001

The Economic Development Commission was established by the legislature as a recommendation of the Governor's Competitiveness Council. The Washington State Department of Community Trade and Economic Development is the lead staffing agency.

In 2004, the Economic Development Commission is working to update the 2001 Statewide Economic Vitality Plan for Washington State. This plan called out areas where government can or should contribute to enhancing the economy of Washington State. The following goals were identified connecting transportation to economic vitality:

- Infrastructure - Reduce the travel time through the state's most congested transportation corridors;
- Quality of Life - Integrate environmental sustainability principles into economic development strategies;
- Business Climate - Reduce the time and cost associated with land use and environmental permitting for companies seeking to locate or expand in Washington and for the potential host communities.

# State Transportation Commission Policy

The Washington State Transportation Commission has adopted policy on Economic Development for a decade.

## **1995 – Adoption of the Economic Initiatives within the Highway System Plan targeting:**

Highway improvements to support state, regional, and local economies, improvements to support the tourism sector of the economy through Heritage Corridors, safety rest areas, bicycle touring routes, and traveler support services.

## **1998 – Defining Economic Development, Transportation’s Role, and a Funding Process**

**Definition:** Economic activities which result in development or retention of income generative industries (those industries that raise per capita income of the state)

- Working in partnership with CTED and others on business recruitment, expansion, and retention to ensure early transportation input into the process
- Providing expertise and rapid response in analyzing the transportation needs of emergent economic development projects

## **2002 – Adoption of the Economic Development & Transportation Committee Report :**

Formalize Commission expectations for policy and strategic focus

- Promote and enhance coordination with local comprehensive plan development
- Create a highway improvement category for rural economic development support
- Further develop and refine “Emergent Business Development” Matching Program
- Include economic development consideration in travel demand forecasting analysis
- Request that CTED include a transportation element to its needs evaluation for industry clusters and sectors



# Community Economic Revitalization Board

## Role of Transportation Commission Defined in RCW 43.160.010

(1) The legislature finds that it is the public policy of the state of Washington to direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment for the general welfare of the inhabitants of the state. Reducing unemployment and reducing the time citizens remain jobless is important for the economic welfare of the state. **A valuable means of fostering economic development is the construction of public facilities which contribute to the stability and growth of the state's economic base.** Strengthening the economic base through issuance of industrial development bonds, whether single or umbrella, further serves to reduce unemployment. Consolidating issues of industrial development bonds when feasible to reduce costs additionally advances the state's purpose to improve economic vitality. Expenditures made for these purposes as authorized in this chapter are declared to be in the public interest, and constitute a proper use of public funds. A community economic revitalization board is needed which shall aid the development of economic opportunities. The general objectives of the board should include:

- (a) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies;
- (b) Encouraging the diversification of the economies of the state and regions within the state in order to provide greater seasonal and cyclical stability of income and employment;
- (c) Encouraging wider access to financial resources for both large and small industrial development projects;
- (d) Encouraging new economic development or expansions to maximize employment;
- (e) Encouraging the retention of viable existing firms and employment; and
- (f) Providing incentives for expansion of employment opportunities for groups of state residents that have been less successful relative to other groups in efforts to gain permanent employment.

**(2) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to improve state highways in the vicinity of new industries considering locating in this state or existing industries that are considering significant expansion.**

(a) The legislature finds it desirable to provide a process whereby the need for diverse public works improvements necessitated by planned economic development can be addressed in a timely fashion and with coordination among all responsible governmental entities.

**(b) All transportation improvements on state highways must first be approved by the state transportation commission and the community economic revitalization board in accordance with the procedures established by RCW 43.160.074 and 47.01.280.**

(3) The legislature also finds that the state's economic development efforts can be enhanced by providing funds to improve markets for those recyclable materials representing a large fraction of the waste stream. The legislature finds that public facilities which result in private construction of processing or remanufacturing facilities for recyclable materials are eligible for consideration from the board.

(4) The legislature finds that sharing economic growth statewide is important to the welfare of the state. Rural natural resource impact areas do not share in the economic vitality of the Puget Sound region. **Infrastructure is one of several ingredients that are critical for economic development.** Rural natural resource impact areas generally lack the infrastructure necessary to diversify and revitalize their economies. It is, therefore, the intent of the legislature to increase the availability of funds to help provide infrastructure to rural natural resource impact areas.

A valuable means of fostering economic development is the **construction of public facilities** which contribute to the stability and growth of the state's economic base.

(2) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, **providing funds to improve state highways** in the vicinity of new industries considering locating in this state or existing industries that are considering significant expansion.

**(b) All transportation improvements on state highways must first be approved by the state transportation commission and the community economic revitalization board in accordance with the procedures established by RCW 43.160.074 and 47.01.280.**

**Infrastructure is one of several ingredients that are critical for economic development.**

# What Policies Guide Economic Investment?

## Growth Management Act

### 1990 Growth Management Economic Development Goal RCW 36.70A.020(5)

*“Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and **public facilities**”.*

### In 2002 the Washington State Legislature added economic development as a required element of Comprehensive Plans, amending RCW 36.70A.070.

*“An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, **transportation**, utilities, education, work force, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.”*

# **Transportation's Role in the Economy**

# Quantifying the Economic Benefit of Transportation Infrastructure

Recent research by Nadiri and Mamuneas establishes a link between the highway network and economic performance. This work provides empirical analysis about the historical contribution of roads to the U.S. economy. Key findings suggest that the highway network leads to production cost savings, contributes to productivity growth, and has a positive social rate of return.

From 1950 to 1991, U.S. industries realized annual production cost savings averaging 18 cents for each dollar invested in the road system.

Although the impact has declined in recent years, highway investment has remained a contributor to economic productivity growth. Over the study period, highway capital's contribution to productivity growth is estimated at about 25 percent.

Similarly, the rates of return on total highway capital has declined in recent years but is still comparable with rates of return on private capital and the long-term interest rates.

At the aggregate level, a one percent increase in total highway capital has lead to a 0.08 percent increase in output.

# Transportation and the Economy: What the Literature Says

## Economic Benefits of Transportation Investment:

- Basic User Benefits: Capacity expansion, Reduction of delay (passenger and freight) and Safety
- Jobs from Project Construction and the Multiplier Effect
- Economic Productivity Increase at the Macro Economic Level (State Economy)
- Economic Development at the Micro Economic Level - local or regional economies
  - One firm or business
  - Land access for development
  - Particular users of an industry or cluster
  - Tourism

## The Caveats:

- Transportation is necessary but not sufficient. Other factors are important, and may overshadow transportation investment.
- To grow the state's economy, transportation investment should be targeted at generative industries (that grow personal income) not redistributive (such as retail)

# Economic Impacts of Airports in Washington

## 2001 Aviation Forecast and Economic Analysis Study Findings

- The recent study in Aviation conducted by Bucher Willis and Ratliff Corporation found the combined total for all airports in Washington's system generated 171,311 jobs, over \$4 billion in wages and exceed \$18.5 billion in annual sales output.
- This suggests that Aviation plays a major role in the state's economy and while airports facilitate commerce, they also serve as economic engines and their direct, indirect and induced benefits accrue throughout the rest of the community as well.
- The state aviation system plan contains 129 airports made up of commercial service and general aviation airports. In the 2001 analysis, general aviation airports, alone, generated 7,615 jobs, \$140,774,869 in wages and \$490,351,863 in total sales output.
- Rural airports are often small, found in isolated locations and are facilities with which much of the population have no direct experience.
- Preliminary findings from the rural airport study, *Determining Infrastructure Needs for Rural Mobility* by Washington State University indicate greater reliance on rural airports for economic health than previously identified. For the three case study communities, Forks (forest product dependent economy), Omak/Okanogan (irrigated agricultural economy) and Goldendale/Dallesport (non-irrigated agricultural economy), research found consistent belief that rural airports are part of the basic infrastructure that is required for the health, safety and economic well being of the residents living in the communities.
- To maintain economic viability, rural communities rely on access to the urban centers of banking, commerce, law, engineering, medical facilities and services. Rural airports are a means of access to the specialization found in metro centers.

# **Examples of Transportation / Economic Development Projects**

# Transportation Projects Have Historically Resulted in More Than One Outcome

The following pages show a sampling of transportation projects that were driven by or resulted in some form of economic development at the local or regional level. The projects are grouped into three categories of primary project drivers.

## **The Project Drivers are:**

- **Traditional Transportation Projects:** Capacity expansion, Delay Reduction (passenger and freight), Safety, and Preservation
- **Economic Development at the local or regional level**
- **Tourism**



# **What Economic Investments Have We Made?**

## **Highlights of Example Projects**

### **Traditional:**

- Stevenson's SR 14 Couplet Project in Skamania County
- Colville's US 395 Roundabout Project in Stevens County
- Bingen's SR 14 Downtown Revitalization Project in Klickitat County
- The I-90/Sunset Interchange Project in King County

### **Economic Development:**

- The I-5 Dupont Interchange in Pierce County
- Vancouver's SR14 and 192<sup>nd</sup> Avenue Interchange in Clark County
- Sumner's SR167 Interchange Project in Pierce County
- Tacoma's SR509 Grade Separation Project in Pierce County
- SR31 Metaline Falls to Canadian Border Reconstruction in Pend Oreille County
- The SR 107 Chehalis River Bank Stabilization Project in Lewis County
- I-5/88<sup>th</sup> Street Interchange Project in Snohomish County

### **Tourism:**

- US 101 Station Camp in Pacific County
- Safety Rest Areas Statewide

# **Project Driver: Traditional**

## **Capacity Expansion, Delay Reduction (passenger and freight), Safety, Preservation**

# SR 14 Couplet

## City of Stevenson – Skamania County

**Project Driver:** Safety & Preservation Paving Project

**Purpose:** To increase pedestrian/vehicular safety, improve signing and lighting, reconstruct unsafe sidewalks, improve draining and improve the general attractiveness of the streetscape to encourage tourist stops.

**Scope:** Roadway and sidewalks rebuilt; basalt was used for bases of information kiosks and signs; colored, patterned concrete sidewalks highlight doorways, intersection areas (at the center of the business district) and park/plaza areas; curb heights returned to the standard 6 inches for ADA compliance; signing, lighting and drainage improvements.

**Partners:** City of Stevenson, community business owners, planning commission representative, County representative, Skamania County Chamber Director, Wallis Engineering, J.D. Walsh & Associates, WSDOT, Forest Service, CERB, and the Columbia River Gorge Commission

**Cost of the Project:** \$3,057,846 - \$1.3 million in local funds; \$257,846 in state funds; \$1.5 million in federal funds

**Outcome or Benefit of the Project:** Rebuilding of the roadway and sidewalks eliminated the excessive crown; entire downtown sidewalks system is now ADA accessible.

Before



After



# US 395 Roundabout

## City of Colville – Stevens County

**Project Driver:** Preservation Paving Project

**Purpose of the Project:** To repave and decrease motorist delay, increase local traffic mobility and provide safe pedestrian movements.

**Scope of the Project:** Traffic signal was removed from Main Street/US 395 at Hawthorne Road and replaced with a unique oval shaped roundabout.

**Partners in the Project:** Federal Highway Administration, Transportation Improvement Board, City of Colville, and WSDOT

**Cost of the Project:** \$6 Million – \$3,025,011 Federal, \$1,725,589 State, \$1,262,608 Local

**Outcome or Benefit of the Project:** Drivers are able to access business or parking and direct access to the Southtown Shopping Plaza. The design facilitates the future addition of an alternate truck route using the west leg of Hawthorne Avenue. Attractive city gateway enhanced with landscaping and architectural signage; improved mobility for in-town traffic safe intersection operation during power outages.

**Benefits Measurement Tool:** Washington Dental Service became the first tenant in the newly expanded business development incubator, bringing, approximately 60 new jobs to the city.



Before



After (Artist's Rendering)



# SR 14 - Steuben Street

## City of Bingen – Klickitat County

**Project Driver:** Preservation Paving Project

**Purpose:** In 2000, the City of Bingen began planning a revitalization of their downtown area, where SR 14 serves as one of the main roads (Steuben St.). WSDOT had a project planned for highway 14 from the Hood River Bridge to Willow Street where the highway was experiencing congestion and had a deficient level of service, so the city began discussion about how the two projects could work together.

**Scope:** Major reconstruction work for Steuben, including widened sidewalks, street trees and other landscaping, new lighting and garbage cans, and benches and planters.

**Partners:** Most of the costs of this project are provided through federal and state grants with some funds coming from the City of Bingen's community development fund

**Outcome or Benefit of the Project:** Project is just being completed. Outcome uncertain.



Gorge Heritage Museum, Bingen, WA



During Construction on Steuben (SR 14)

# I-90/Sunset Interchange

## Issaquah/King County

**Project Driver:** Delay Reduction

**Purpose:** reduce congestion to and from Issaquah, support jobs and housing for the future and accommodate new traffic from the Port Blakely communities/Issaquah Highlands project that is developing commercial, retail and residential real estate.

**Scope:** a new interchange at Sunset providing access to Issaquah and Sammamish Plateau from I-90. This Interchange relieves some of the burden on the Front Street and SR 900 Interchanges and provides safety with upgraded illumination, guardrail, bike/ped. trail and an electronic message sign. It also provides ponds and wetlands that capture and clean freeway runoff before it enters Issaquah creek.

**Partners in the Project:** WSDOT, City of Issaquah, King County, Sound Transit, the state TIB, Port Blakely Communities and state and federal agencies.

### Cost of the Project:

\$117 million Total  
State and Federal

\$92,090,450

Local Funds -

\$24,843,303

**Benefits:** Safety,  
Congestion Relief and  
Environmental  
Improvements/  
Protection



Before



Proposed (Nearly Completed – is open to traffic)

# **Project Driver: Economic Development**



# I-5 South DuPont Interchange

## City of Dupont – Pierce County

**Project Driver:** Economic Development

**Purpose of the Project:** To provide free-flowing movements for all southbound and northbound traffic accessing the developing City of DuPont.

**Scope of the Project:** North and Southbound on and off ramps; new truck route for trucks leaving the northbound I-5 weigh station; emergency vehicle access for Ft. Lewis; existing Fort perimeter road relocated around the new interchange; north- and southbound auxiliary lanes; new loop ramp; lanes added to Center Drive; signalization of southbound ramp terminals and new intersection for northbound traffic going to Ft. Lewis; collector-distributor added

**Partners in the Project:** Weyerhaeuser and Washington State Department of Transportation

**Outcome or Benefit of the Project:** Improved vehicular flow on the I-5 corridor; stimulated employment by providing new opportunities; new housing and business opportunities; increased tax revenues; concentrated growth in accordance with the Growth Management Act

**Cost of the project:** \$16.6 million (100 percent funded by Weyerhaeuser)



Before (October, 1996)



After (November, 1997)



# SR 14 / 192<sup>nd</sup> Avenue Interchange

## Vancouver – Clark County

**Project Driver:** Economic Development

**Purpose of the Project:** To provide critical access to emerging high-tech industry needs while improving safety at the SR 14/Brady Road intersection.

**Scope of the Project:** A Diamond interchange built at SR 14 and SE 192nd Avenue. Removal of an existing at-grade intersection from SR 14 and replacement with a new Brady Road intersection at SE 192nd Avenue. A 1,000 foot section of SE 192nd Avenue was built, and a private business access was removed from SR 14 and replaced with an access road from SE 192nd Avenue to the Pacific Rock Products facility. An additional lane added on the eastbound SR 14 off-ramp to SE 164th Avenue, and new pavement from east of SE 164th Avenue interchange to Camas.

**Partners in the Project:** WSDOT and City of Vancouver – city is constructing a three phase corridor project in conjunction with the interchange.

**Cost of the Project:** \$18.3 million – \$17,997,000 State and Federal, \$293,000 Local

**Outcome or Benefit of the Project:** WaferTech, one of the seven high-tech industries at this location, employs approximately 1,000 employees. Employment in the Computer and Electronic Manufacturing Sector, however, has declined from a high of 5,300 in Dec. 2000 to 3,200 in July of 2004.



Before



Proposed Alignment



After



# North Sumner Interchange

## City of Sumner – Pierce County

**Project Driver:** Economic Development

**Purpose of the Project:** To provide a transportation facility to accommodate commerce and industry in the industrial area south and east of the Stuck River, the central valley and the West Valley area and connect them to the regional transportation system.

**Scope of the Project:** A 5-lane bridge built across the Stuck River and a 5-lane highway (10,000 feet of road).

**Partners in the Project:** City of Sumner; Transportation Improvement Board; Community Economic Revitalization Board, Washington State Department of Transportation

**Cost of the Project:** \$37 million

**Outcome or Benefit of the Project:** In 2003, over 500 manufacturing and industrial jobs were created. The assessed valuation of the land has risen \$55 million to \$151 million in ten years, and 4.4 million square feet of industrial warehousing, distribution and manufacturing building has been built. More than \$220 million has been spent on buildings and improvements by the private sector.



After



# SR509/Port of Tacoma Road Grade Separation

## City of Tacoma – Pierce County

**Project Driver:** Economic Development

**Purpose of the Project:** To improve the flow of trucks in and out of the Port of Tacoma

**Scope of the Project:** Overpass construction on Port of Tacoma Road

**Partners in the Project:** Port of Tacoma, Puget Sound Regional Council, Burlington Northern and Santa Fe, Washington State Department of Transportation

**Cost of the project:** \$33 million – \$20 million Federal; 12 million PSRC; \$1 million BNSF

**Outcome or Benefit of the Project:** Improved safety and reduced delays for trains and vehicles. Paved the way for full implementation of Intelligent Terminal Operations Systems. Traffic congestion was all but eliminated. The flow of truck and rail cargo improved markedly. This project accommodated a planned increase in freight and passenger rail traffic



After



# SR 31 Metaline Falls to Canadian Border

## Reconstruction

### Pend Oreille County

**Project Driver:** Economic Development

**Purpose of the Project:** Reconstruct SR 31 for all-weather operation of legal loads from Metaline Falls to the Canadian border allowing for removal of seasonal weight restrictions. Improve freight access to the TeckCominco American/Pend Oreille Mine.

**Scope of the Project:** Reconstruction of 12.7 miles of roadway, construction of 11-foot lanes and two-foot shoulders and increasing the surfacing depth and width.

**Partners in the Project:** WSDOT, Pend Oreille County, State, Federal and Tribal Governments

**Cost of the Project:** \$20+million - Pre-Existing State, Fed. and Other Partnership Funds: \$2,909,962 – 2003 Legislative Transportation Package: \$17,435,519

**Expected Benefits:** Improved freight movement year-round from Metaline Falls to the Canadian Border promoting economic development in Pend Oreille County by enabling unrestricted movement of freight through this corridor. Enhancement to the North Pend Oreille Scenic Byway.

Vicinity Map



SR 31 Current Conditions



# Chehalis River Bank Stabilization

## City of Montesano – Grays Harbor County

**Project Driver:** Economic Development

**Purpose of the Project:** To halt the meander of the Chehalis River towards SR 107 and Mary's River Lumber Company

**Scope of the Project:** 450 feet of bank revetment and the installation of five stream barbs, and road improvement.

**Partners in the Project:** City of Montesano, WSDOT, CERB, Private Property Owners

**Outcome or Benefit of the Project:** Retained 120 timber jobs, with a \$2 million annual payroll and \$20 million dollars in annual sales; stabilization of the meander to protect SR 107 and Mary's River Lumber Company facility.

**Cost of the project:** Total was \$580,000 over 8 years. Final design and construction was \$471,000. Rural Economic Vitality Funds through CTED funded 86.5 percent; with additional funding provided by the City of Montesano and two adjacent property owners.

**Quote from the Community:** "This project has protected the city's largest employer." (*Mike Wincewicz, City of Montesano*) 130 jobs reported in 2004.



Before



After

# I-5/88<sup>th</sup> Street Interchange

## Marysville/Tulalip - Snohomish County

**Project Driver:** Economic Development

**Purpose of the Project:** to improve the level of service at the Interstate 5 - 4<sup>th</sup> St. and Interstate 5 - 116<sup>th</sup> St. interchange with direct access to the Tulalip Indian Reservation from SR5. To enhance economic development for the reservation plus additional capacity and access for general traffic bound for the Marysville area.

**Scope of the Project:** Building of an interchange at 88th Street near Marysville. Construction was completed January 9, 1998.

**Partners in the Project:** The Tulalip Tribes, FHWA, WSDOT & TIB, Snohomish County, City of Marysville

**Funding for the Project:** \$15.07 million - FHWA \$7.82 million; Tulalip Tribes \$1.2 million; WSDOT & TIB \$3.5 million; Snohomish County \$2.5 million; City of Marysville \$50,000

**Outcome or Benefit of the Project:** improved access to the Tulalip Reservation and the Quil Ceda Village, an 800-acre, multimillion dollar retail center and business park near I-5.



I-5/88<sup>th</sup> street before interchange 1993



The completed interchange

# **Project Driver: Tourism**



# Station Camp

## US 101 - Pacific County

**Project Driver:** Tourism

**Purpose of the Project:** Realignment of US 101 to accommodate the construction of an expansion of a National Historic Park.

**Scope of the Project:** The current state park is too small for the needed access improvement to the historic and recreational site. The realignment will provide a safety improvement by increasing the lane and shoulder widths of US 101.

**Partners in the Project:** Washington State Historical Society, Washington State Parks and Recreation Commission, WSDOT, Federal Highway Administration and the National Parks Service.

**Cost of the project:** \$5,800,000

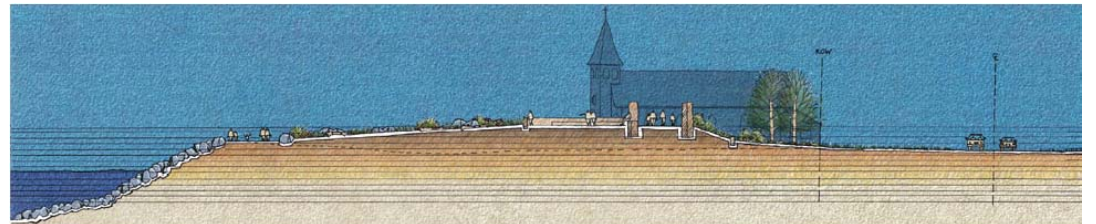
**Outcome or Benefit of the Project:** A new National Historic Park facility will be built in time for the Lewis and Clark Bicentennial, to accommodate an increase in visitation to Pacific County by 10 percent in the year 2005 and beyond.



Aerial photo before with proposed alignment



Artists Rendering Proposed





# Safety Rest Areas

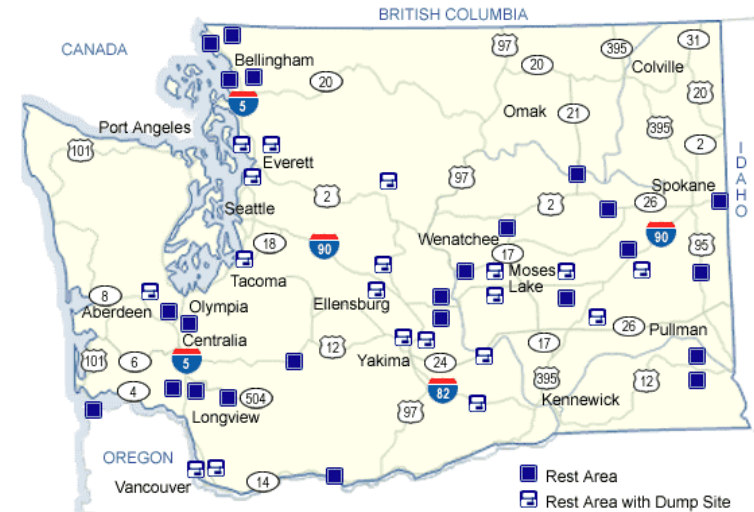
## Statewide

**Purpose of the Program:** To provide travelers with safe locations to rest, visitor information, public restrooms and potable water.

**Scope of the Program:** Is unique to each site and the partners involved.

**Partners in the Program:** The WSDOT is directed to secure partnership funding to construct new facilities.

**Outcome or Benefit of the Program:** In the 1997 safety rest area survey 43 percent of respondents stated that they would be very likely or somewhat likely to change their travel plans based on information obtained at a Safety Rest Area. 77 million travelers visit Washington's safety rest areas each biennium. 43 percent equals 33,110,000 visitors that might stay longer in a community. If only 10 percent of that group actually did stay over an additional night the value could be estimated at \$90 per person. This is based on the estimated price of one dinner, one night's lodging and one breakfast. 33,110 additional overnight guests has the initial potential to equal \$2,979,900 additional tourist dollars invested in Washington. That does not include impulse shopping or discretionary spending for Washington's attractions.



Washington Pass Rest Area SR20



Tiger Store Rehabilitation & Public Restrooms SR31 – SR20 Jct.

3rd Edition Revised 10/29/2004

# Economic Development Funding for Transportation

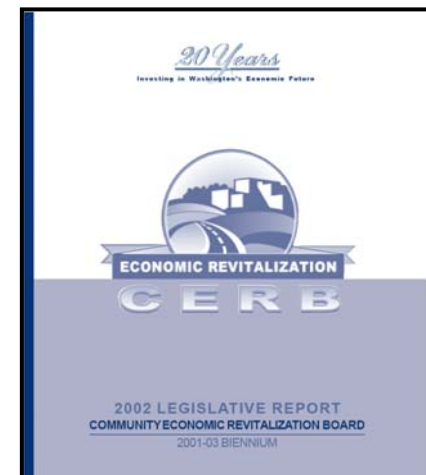
## Community Economic Revitalization Board and Rural Economic Vitality

Several economic development projects with a transportation component have received Community Economic Revitalization Board (CERB) and Rural Economic Vitality (REV) funding in the last four years. These projects tend to be driven by local government and business interests.

WSDOT has a practice of entering into a partnership with others when there is a transportation system benefit as part of the project. An example of how this has occurred in rural communities is when funding for a preservation paving project is used to leverage non-WSDOT funds such as those from CERB.

It is common to see projects with multiple components in the scope of work that address other economic development needs such as water or sewer improvements. These combined with transportation improvements create a location more functional for industry or business development.

CERB tracks outcomes for projects for a five year period following the completion of the public project construction. The 2004 CERB legislative report is due out in December and will contain summaries of the progress the projects have made toward meeting project goals.



CERB tracks its return on investment in four ways:

- New and retained jobs
- Private capital
- Tax revenues
- Assessed property values

# Summary

The link between transportation and economic development is manifest: transportation is necessary to a strong economy, providing access to businesses and jobs, moving freight and commerce.

Measuring transportation's success in economic development is difficult.

- Traditional transportation projects often have additional economic development benefits, especially where partnerships allow a broader project scope.
- Targeted economic development projects, which focus on existing or secure development, rather than speculative development, help ensure success (transportation investment alone doesn't ensure success).
- The transportation system is critical to Washington's tourism industry.

The state's economy is shifting to a greater share in the service economy: we will need to identify and support these transportation needs. Also, WSDOT should work closely with DCTED to evaluate the transportation needs of industry clusters to support the overall state economic development direction.

Reducing delay, through capital or operating programs, can improve economic productivity for Washington's businesses.